



Public Policies

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Holden's cost-effective approach relies on early detection, care to promote women's health

*By Scott B. Lakin, Director
Missouri Department of Insurance*



Gwendolyn Randall learned the life-and-death importance of early cancer detection and treatment — not once, but three times.

At the atypically young age of 39, the St. Louis woman found two breast growths during an “almost accidental” self-exam in February 1995 that led to a lumpectomy.

Regular screenings detected the recurrence of cancer in the same breast in 1999. Aware of her own family history and her responsibilities as mother of a teenage son, Randall took the most cautious route with a double mastectomy and reconstructive surgery, although the right breast still showed no signs of the disease. Of four sisters, she was the third to develop breast cancer.

Only months later, last June, Randall found another small growth near the site of the original cancerous breast and underwent minor surgery.

Today, cancer free, she provides living testimony to how early detection and treatment can give young women better chances for recovery and better choices in their care.

“As a volunteer working with cancer survivors, I have met many young ladies who watched their lump for a couple or three months and held back until the cancer was too large or it had spread. They could not take advantage of therapy that was less invasive or less toxic,” says Randall, who works for a major communications firm. “Because they waited, their choices were made for them.”

Gov. Bob Holden has focused

attention on how improvements in insurance coverage can save lives, give women the best choices and save health-care costs in House Bill 762, his women's health initiative sponsored by House Speaker Jim Kreider of Nixa and a bipartisan group of legislators.

The legislation recognizes that simply providing gender-neutral health insurance benefits does not provide the same results for younger women, who pay 45 percent more out of pocket for health care than similar-aged men, largely because of costs related to child bearing. The legislation would require health insurers to:

- Give enrollees notice of available cancer screenings like mammograms and pap smears, as recommended by the American Cancer Society. The ACS indicates that 3,700 Missouri women like Randall will develop breast cancer this year. Tragically, 800 will die.

- Cover state-of-the-art, bone-density testing for osteoporosis, which left untreated can painfully limit the lives and productivity of older women. Half of all women age 65 or over are estimated to suffer a bone break because osteoporosis was allowed to progress.

- Give female enrollees direct access to their obstetrician/gynecologists. Now, state law only allows one such visit a year. Women otherwise may face the time-consuming, expensive process of getting a referral from their primary-care doctors before each visit.

- Include contraceptives in prescription-drug benefits. All too often, women must bear the entire cost of responsible family planning out of their own pockets. Contraceptive coverage, an issue of fairness, also should reduce unplanned pregnancies and abortions.

As a legislator for the past eight years, I know well how the issues of abortion and family planning can ignite and consume debate over improving health care and insurance. So I doff my director's hat to groups like the Missouri Catholic Conference, Planned Parenthood, Missouri Right to Life and insurers for reaching a compromise to keep this legislation from meeting that fate.

The bill allows health-plan sponsors — like employers or church groups — to opt out of providing contraceptive coverage for religious or moral reasons.

But enrollees in these plans would have the confidential right to buy, at their own expense, and use riders that cover

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Women's health

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contraceptive benefits.

The governor's bill cleared the Missouri House in early April, but still must undergo the entire process in the Senate before the session ends in mid-May.

As an insurance regulator and former agent, I understand the danger of adding mandatory benefits that increase the cost of health insurance and the number of uninsured persons. So during my legislative career, I concentrated on measures that would improve primary and preventive care — cost-effective care that focuses on keeping people healthy and halting disease in its early stages, when it is easiest and least expensive to treat.

Failure to pass this women's health initiative might be penny-wise, but it's definitely pound-foolish in terms of actual health-care dollars and the quality of life for Missouri women in HMOs and their families.

Those women deserve a second — or third or fourth — chance at the healthy life that Gwendolyn Randall enjoys today.



Missouri Department of Insurance releases 2001 auto insurance discount guide

Guide gives insight on how to reduce auto premiums

The Missouri Department of Insurance has released the 2001 Auto Insurance Discount Guide that helps motorists reduce their auto insurance premiums.

The 2001 guide provides survey results on which 13 potential discounts are offered by 10 high-volume Missouri auto insurers, effective in February 2001.

Besides information on whether and how much insurers will discount premiums for air-bag use or students with good grades, the 2001 guide also debunks some common misconceptions about discounts. For example, some vehicles are promoted for their insurance saving features, but only one of the 10 high-volume insurers discount premiums for day-time running lights or economy class.

"These discounts can produce large overall savings for consumers, but only if they know which types of discounts are common in the industry and how much they can reduce rates," said Scott Lakin, the department director. "Consumers should make sure they ask their agents about any other possible discounts available."

The guide shows the percentage discounts for:

- Multiple vehicles insured (offered by all 10 high-volume insurers) — applies when two or more private passenger automobiles, used principally by persons residing in the same household, are insured with the same company.
- Auto and home insured (nine of 10 insurers) — applies when your home and auto are insured with the same company.
- Accident free (nine of 10 insurers) — applies usually when the insured policy has been in force with no chargeable accidents during a three-year period. The discount increases when the insured has been accident free for six years and 10 years.
- Good student (nine of 10 insurers) — applies to a student who must meet criteria set by the company, which usually requires the student to rank scholastically among the upper 20 percent of their class or have a "B" average.
- Automatic seat belts (four of 10 insurers) — applies to cars that have automatic front seat belts.
- Air bag/driver side (nine of 10 insurers) — applies to vehicles that have a driver side air bag.
- Air bag/both sides (nine of 10 insurers) — applies to vehicles that have an air bag on both driver and front-passenger sides.
- Anti-lock brakes (five of 10 insurers) — applies when the vehicle is equipped with a factory-installed anti-lock braking system on all four wheels.
- Anti-theft device (four of 10 insurers) — applies when vehicles are equipped with certain anti-theft devices.
- Economy car (one of 10 insurers) — applies when the vehicle qualifies for the economy car discount as identified in the symbol and identification pages of the company's manual.
- Daytime running lights (one of 10 insurers) — applies to vehicles that are equipped with a daytime running light system.
- Paid-in-full (one of 10 insurers) — applies to bodily injury and property damage liability, medical payments, comprehensive and collision when the policy is paid in full at time of the application.
- Senior (three of 10 insurers) — applies to operators age 50 years or older.

To order a copy of the 2001 Auto Insurance Discount Guide, consumers can call the toll-free MDI Consumer Hotline at 1-800-726-7390 or write the MDI Division of Consumer Affairs, P.O. Box 690, Jefferson City, MO 65102-0690. An on-line copy is available at the MDI Website, <http://www.insurance.state.mo.us>.





MDI Regulatory Actions

March 2001

Legal action - agents, agencies and brokers

Kent Bohr, Kansas City, MO, license revoked for misappropriation, conversion, deception and untrustworthiness.

Paul R. Drake, Maryville, MO, \$500 forfeiture for unfair insurance practices and lack of fitness or trustworthiness.

Timothy M. Kammerer, Kansas City, MO, license denied for criminal record/history.

Krista L. Koon, Kimballton, IA, license denied for criminal record/history.

Donald S. McCandless, Kansas City, MO, license suspended for four months and \$350 fine for misappropriation of funds and lack of trustworthiness or competence.

Shawanda R. Springfield, Kansas City, KS, license denied for criminal record/history.

James M. Wells, Little Rock, AR, license revoked for forgery or aiding and abetting in forgery and to protection of Missouri consumers.

Financial exams

COVA Financial Services Life Insurance Co., Oakbrook Terrace, IL.

Family Benefit Life Insurance Co., Jefferson City, MO.

Fidelity Security Life Insurance Co., Kansas City, MO.

OakRe Life Insurance Co., Oakbrook, IL.

Safety National Casualty Corp., St. Louis, MO.

Savers Property & Casualty Insurance, Overland Park, KS.



Company changes

AFBA Life Insurance Co., Alexandria, VA, changed its name to **5 Star Life Insurance Co.**

Acceptance Casualty Insurance Co., Omaha, NE, redomesticated from Texas to Nebraska.

Administrative Consultants, Inc., Latham, NY, withdrew as a third-party administrator (TPA).

Agricultural Excess and Surplus Insurance Co., Cincinnati, OH, changed its name to **Great American E & S Insurance Co.**

Andrew County Mutual Insurance Co., Savannah, MO, added liability authority.

AON Select, Inc., Dallas, TX, withdrew as a TPA.

Benefit Claims Payors, Inc., Phoenix, AZ, withdrew as a TPA.

Commercial Compensation Insurance Co., Calabasas, CA, merged into **Commercial Compensation Casualty Insurance Co.**

Commercial Truckers Risk Retention Group Captive Insurance Co., Columbia, SC, registered as a risk retention group.

Continental Loss Adjusting Services, Inc., Chicago, IL, withdrew as a TPA.

DCG Resources Options LLC, Portland, MN, was admitted as a TPA.

Financial Administrative Services Inc., Wethersfield, CT, changed its name to **MYND Corp. F/K/A Financial Administrative Services Inc.**

Financial Institutions Reserve Risk Retention Group, Burlington, VT, withdrew from Missouri.

First Automotive Insurance Risk Retention Group, Inc., Honolulu, HI, registered as a risk retention group.

Fremont Compensation Insurance Co., Glendale, CA, certificate of authority suspended.

Fremont Indemnity Co., Glendale, CA, certificate of authority suspended.

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Regulatory Actions

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Fulcrum Insurance Co. of Arizona, Scottsdale, AZ, changed its name to *Fulcrum Insurance Co.*

Gilbert Magill Co., Kansas City, MO, changed its name to *Clarion Benefits Administration, LLC*.

Groupama Insurance Co. Limited, New York, NY, withdrew from the Missouri eligibility list of surplus lines insurers.

Jones, Hill & Mercer Employee Benefits, Inc., Ft. Worth, TX, terminated as a TPA.

Insurance Corp. of American, East Lansing, MI, issued an order lifting the suspension of its certificate of authority and the company redomesticated from Texas to Michigan.

International Indemnity Co., Decatur, GA, certificate of authority suspended.

Lumber Mutual Insurance Co., Framingham, MA, certificate of authority suspended.

Michigan Mutual Insurance Co., Farmington Hills, MI, changed its name to *Amerisure Mutual Insurance Co.*

National Foundation Life Insurance Co., Ft. Worth, TX, redomesticated from Delaware to Texas.

Partner Re Life Insurance Co., Dallas, TX, changed its name to *SCOR Life U.S. Re Insurance Co.*

PFL Life Insurance Co., Cedar Rapids, IA, changed its name to *Transamerica Life Insurance Co.*

One Health Plan of Kansas/Missouri Inc., Overland Park, KS, was admitted as an HMO. It is part of the Great-West group.

Sirius America Insurance Co., Dover, DE, was licensed as a property, liability, accident and health, and miscellaneous authority.

Southeast Missouri Mutual Fire Insurance, Dexter, MO, converted to a Missouri mutual with fire and windstorm authority.

State National Insurance Co., Inc., Ft. Worth, TX, added liability authority.

Terra Nova Bermuda Insurance Co. Ltd., New York, NY, withdrew from the NAIC quarterly listing of alien insurers.

Transamerica Occidental Life Insurance Co., Cedar Rapids, IA, redomesticated from California to Iowa.

Transnational Insurance Co., Edison, NJ,

changed its name to *Crum & Forster Specialty Insurance Co.*

Unihealth, Inc., Burbank, CA, certificate of authority suspended.

Market conduct

Empire Fire and Marine , Omaha, NE, fined \$16,600. Empire Fire and Marine was cited for errors in underwriting and/or rating practices in commercial business, using an application that asked whether or not an applicant had ever been cancelled or nonrenewed by another carrier and for failure to provide a clear and specific reason for cancelling its commercial automobile policies.

This examination followed up an order of May 26, 1998 for policies issued or in-force from Jan. 1 to June 30, 2000.

Anthem Health and Life Ins. Co., Denver, CO, fined \$74,724. Anthem (ALTA) Health and Life Insurance Co. was cited for conducting business with an entity that was not licensed as a third party administrator, to respond to formal requests or criticisms on Benchmark Insurance Co. and using advertising materials that contained incorrect suicide exclusion provisions. ALTA also was instructed to review all death claims for 1998, 1999 and 2000 to determine whether a claim was denied incorrectly. The insurer had an incorrect emergency room pre-authorization provision, failed to acknowledge receipt of paid group life claims, failed to accept or deny group life claims within 15 working days, failed to pay benefits on assigned large group medical claims within 30 days, failed to acknowledge receipt of denied large group medical claims within 10 working days and failed to either accept or deny denied large group medical claims within 15 working days after the submission of all forms. ALTA was also cited for failure to timely respond to the examiner's criticisms and formal requests.

Health Partners of the Midwest, Inc., St. Louis, MO, fined \$119,600. Health Partners failed to acknowledge or pay claims on a timely basis, to maintain the final disposition letter in its complaint

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Regulatory Actions

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files, to maintain records of its investigations and/or the outcomes and to respond to formal exam requests and criticisms within 10 days.

Zurich-American Insurance Co., Schaumburg, IL, fined \$11,000. Zurich-American Co. failed to maintain documentation in its policy files to support the applied credits/debits and to maintain evidence of notices to policyholders on where to ask about changes in their policies scheduled rating. Zurich-American Co. also used or accepted an application that asked if an applicant had been cancelled or nonrenewed by another carrier.



Show-Me Insurance

You can signup to receive the latest edition of **Show-Me Insurance**, Director Scott Lakin's bi-monthly column, at www.insurance.state.mo.us.



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Public Policies serves as a key communications link between MDI and Missouri's legislators, weekly and broadcast media, industry observers and trade associations.

If you have comments or questions, please send them to Melissa Becker, associate editor, P.O. Box 690, Jefferson City, MO 65102-0690 or call 573-526-2946.

Personnel

Employee of the Quarter Ken Skidmore



Ken Skidmore, Employee of the Quarter

Ken Skidmore, MDI Employee of the Quarter, likes his job best when potential problems are averted. Skidmore has worked for MDI since November 1995 in the receivership section.

Skidmore reviews monthly billings submitted by special deputy receivers, lead counsel and other professionals who work for the department on domestic receiverships. He also reviews annual financial information submitted from the receiverships. When a potential problem arises with a bill, Skidmore writes a memo to alert others within the department. Skidmore also performs various special projects on an as needed basis.

"The most challenging part of my position is that priorities can shift from day-to-day," says Skidmore. "It can be very difficult to complete tasks that you haven't worked on for several weeks or even months."

Skidmore hopes to continue doing the best job he can for the department. His ultimate satisfaction is helping claimants by striving to keep administrative expenses as low as possible to get the highest return for the claimants.

"Ken is the best employee I have ever had the pleasure of working with," said Doug Hartz, Receivership Supervisor. "He is very detailed-oriented and thorough in performing every task."

Before coming to MDI, Skidmore worked at the State Auditor's Office for five years. His hobbies include travel and landscape photography, coin/stamp collecting and sports.



Departures

Cassandra Bates, admissions assistant

Retirements

Richard Kennedy, market conduct examiner

Terry Watson, audit manager - market conduct

Designations

Daniel Callahan, a financial examiner, received his CFE designation.

Mark Nance, a financial examiner, received his AFE designation.

James Simmerman, a financial examiner, received his AFE designation.



Missouri drivers find savings on auto rates with MDI Auto Insurance Rate Guides

*Free brochures show premium pricing information for 5 areas,
18 communities across Missouri; more information available on Internet*

Shopping around for potentially big savings won't cost Missouri drivers a dime when they use the new edition of Missouri Department of Insurance (MDI) Consumer Shopping Guide for Auto Insurance.

The guides — with rates effective January 1, 2001 for high-volume insurers — are now available without charge to Missouri drivers and car owners either in printed or Internet versions.

The guides show how rates for leading insurers vary within a Zip Code for hypothetical drivers with differing driving records, ages, genders, policy coverage, auto makes and places of residence. The brochures are available for six geographic areas of the state — St. Louis City, suburban St. Louis, Kansas City, northern Missouri, southern Missouri and Mid-State area.

The printed guides cover 18 of about 1,000 Zip Codes in the state while the MDI Internet site lists 90 Zip Codes' auto insurance rates. The guides demonstrate the value of shopping around — at least every few years — for auto coverage based on price wherever a consumer lives.

For example among the companies surveyed:

- A 17-year-old single male in Kansas City, with one speeding ticket and two chargeable accidents, can pay from \$617 to \$2,550 for a six-month policy.
- A 25-year-old single woman in Hannibal, with one speeding violation, can pay from \$285 to \$959 for six months of liability coverage with deductibles of \$250 for comprehensive and \$500 for collision coverage.

To order an auto guide, consumers can call the toll-free MDI Consumers Hotline at 1-800-726-7390 or write the MDI Division of Consumer Affairs, P.O. Box 690, Jefferson City, MO 65102-0690. Metropolitan residents can contact MDI branch offices at 314-340-6830 in St. Louis or 816-889-2381 in Kansas City. Telephone services (TTD) for the hearing impaired are provided at 573-526-4536. (Charges apply to orders of multiple copies.)

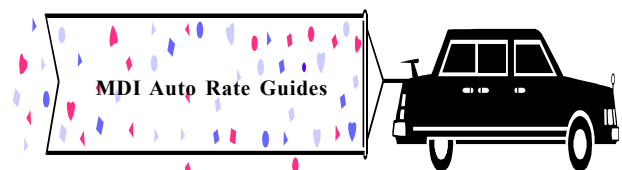
Additional Zip Code data is available at the

department's Internet WWW site — (<http://www.insurance.state.mo.us>) The Zip Codes listed include at least one in these communities: Martinsburg, Wheaton, Columbia, St. Joseph, Osage Beach, Montreal, Cape Girardeau, Gladstone, Liberty, Jefferson City, Union Star, Republic, Springfield, West Plains, Kansas City (64123, 64138, 64130, 64108), Independence, Grandview, Blue Springs, Joplin, Carthage, Arnold, Ewing, New Cambria, Hannibal, Catron, Sedalia, St. James, Platte City, Moberly, St. Charles, O'Fallon, Wentzville, Valley Park, Kirkwood, Fenton, Manchester, Oakville, Overland, St. Louis (63104, 63108, 63116, 63133), Branson, Nevada, Potosi and Piedmont.

The charts illustrate the rates of four hypothetical drivers: a single male, age 17; a single female, 25; a married male, 35; and a married female, 65. Your own rate may vary based on place of residence, age, gender, marital status and type of car. Most companies have separate rates for men and women until age 25 or 30. After that age, rates generally do not vary much based on gender or marital status.

Rates are shown for three types of drivers based on their histories: preferred (no violations), standard (one speeding violation) and non-standard (one accident and two speeding violations). Coverages range from liability only to full liability, comprehensive and collision policies while the autos used in illustrations are a 2000 Dodge Stratus ES, 1996 Toyota Corolla and a 1994 Ford Ranger.

The companies, which responded to an MDI survey, posted among the leading sales volumes for that geographic area. Also listed are their MDI consumer complaint scores; consumers can contact MDI for financial ratings of the insurers.



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